

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

BAY STATE GAS COMPANY

D.T.E. 05-27

ATTORNEY GENERAL'S TENTH SET OF
DOCUMENT AND INFORMATION REQUESTS

The following are the TENTH SET of discovery and information requests regarding the prefiled testimony of Mr. Moul.

- AG-10-1 Referring to Exhibit BSG/PRM-1, page 6, lines 7-10, please provide a complete and detailed description of the “unforeseen events” that could occur during the PBR plan.
- AG-10-2 Referring to Exhibit BSG/PRM-1, page 6, lines 22-23, please provide all studies, and analyses done by or for Mr. Moul which indicate that fewer potential customers of the Company have selected gas as a result of “higher and volatile gas costs.”
- AG-10-3 Referring to Exhibit BSG/PRM-1, page 13, lines 23-24, please indicate the reasons that Mr. Moul chose to include those companies in the Southeast region as opposed to some other region of the U.S. such as the Midwest or the Northwest.
- AG-10-4 Referring to Exhibit BSG/PRM-1, page 14, please indicate which companies would have been included in Mr. Moul’s gas group has he used an 80 percent revenue screen as opposed to the 80 percent asset screen.
- AG-10-5 Referring to Exhibit BSG/PRM-1, page 16, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the “Massachusetts operations” with “income and investment in associated companies ... removed from the Company’s historical financial statements.”
- AG-10-6 Referring to Exhibit BSG/PRM-1, page 41, lines 3 and 4, please provide a complete copy of the December 1, 2004 *Blue Chip* publication referred to in that statement.

Please also provide a complete copy of the June 1, 2005 update to the publication when it becomes available.

- AG-10-7 Referring to Exhibit BSG/PRM-1, page 46, lines 8 to 13, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the determination of the 0.55 gas group unleveraged beta.
- AG-10-8 Referring to Exhibit BSG/PRM-1, page 46, lines 8 to 13, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the determination of the 0.85 gas group leveraged beta.
- AG-10-9 Referring to Exhibit BSG/PRM-1, page 48, lines 8 to 9, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the determination of the 0.91 percent gas group size premium.
- AG-10-10 Referring to Exhibit BSG/PRM-1, page 53, line 13 to 15, please complete copies of the reports and analyses from Standard & Poors that state that “interest coverage provided by funds from operations is presently emphasized by S&P in its quantitative analysis.”
- AG-10-11 Referring to Exhibit BSG/PRM-2, Schedule PRM-2, page 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the operating ratios for Bay State.
- AG-10-12 Referring to Exhibit BSG/PRM-2, Schedule PRM-2, page 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the coverage ratios for Bay State.
- AG-10-13 Referring to Exhibit BSG/PRM-2, Schedule PRM-3, page 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the operating ratios for each of the companies in his gas group.
- AG-10-14 Referring to Exhibit BSG/PRM-2, Schedule PRM-3, page 1, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the coverage ratios for each of the companies in his gas group
- AG-10-15 Referring to Exhibit BSG/PRM-2, Schedule PRM-3, please provide the Capitalization and Financial Statistics shown on that page for the period 2000 to 2004 for each of the companies in the gas group, showing all of the statistics for each year as well as the period average for each company.

- AG-10-16 Referring to Exhibit BSG/PRM-2, Schedule PRM-3, please provide an update to the Capitalization and Financial Statistics shown on that page for the period 2000 to 2004 for the gas group.
- AG-10-17 Referring to Exhibit BSG/PRM-2, Schedule PRM-4, please provide an update to the Capitalization and Financial Statistics shown on that page for the period 2000 to 2004 for the S&P Public Utilities.
- AG-10-18 Referring to Exhibit BSG/PRM-2, Schedule PRM-6, please provide copies of the contemporaneous studies, publications, workpapers, calculations, formulas, assumptions, and other supporting documentation used to determine the economics of the retirement of the note referred to in Note (2) on that page.
- AG-10-19 Referring to Exhibit BSG/PRM-2, Schedule PRM-6, page 1, please provide copies of the contemporaneous studies, publications, workpapers, calculations, formulas, assumptions, and other supporting documentation providing all evidence to show that the “Coupon Rate” was the lowest possible for the terms of the debt instrument for the 5.40% notes due on March 21, 2013 shown on that page.
- AG-10-20 Referring to Exhibit BSG/PRM-2, Schedule PRM-6, page 1, please provide copies of the contemporaneous studies, publications, workpapers, calculations, formulas, assumptions, and other supporting documentation providing all evidence to show that the “Coupon Rate” was the lowest possible for the terms of the debt instrument for the 5.58% notes due on December 20, 2019 shown on that page.
- AG-10-21 Referring to Exhibit BSG/PRM-2, Schedule PRM-6, page 1, please provide copies of the contemporaneous studies, publications, workpapers, calculations, formulas, assumptions, and other supporting documentation providing all evidence to show that the “Coupon Rate” was the lowest possible for the terms of the debt instrument for the 5.94% notes due on December 20, 2024 shown on that page.
- AG-10-22 Referring to Exhibit BSG/PRM-2, Schedule PRM-7, please provide an update to the Monthly Dividend Yields for the gas group for the most recent twelve months available.
- AG-10-23 Referring to Exhibit BSG/PRM-2, Schedule PRM-7, please provide copies of the source documents for the update to the Monthly Dividend Yields for the gas group for the most recent twelve months available.
- AG-10-24 Referring to Exhibit BSG/PRM-2, Schedule PRM-8, please provide an update to the Historical Growth Rates for the gas group.

- AG-10-25 Referring to Exhibit BSG/PRM-2, Schedule PRM-8, please provide copies of the source documents for the update to the Historical Growth Rates for the gas group.
- AG-10-26 Referring to Exhibit BSG/PRM-2, Schedule PRM-9, please provide an update to the Projected Growth Rates for the gas group.
- AG-10-27 Referring to Exhibit BSG/PRM-2, Schedule PRM-9, please provide copies of the source documents for the update to the Projected Growth Rates for the gas group.
- AG-10-28 Referring to Exhibit BSG/PRM-2, Schedule PRM-10, pages 1 to 5, please provide updates to those pages for the most recent information available.
- AG-10-29 Referring to Exhibit BSG/PRM-2, Schedule PRM-10, pages 1 to 5, please provide copies of the source documents used for the update to the Interest Rates.
- AG-10-30 Referring to Exhibit BSG/PRM-2, Schedule PRM-11, please provide a **complete** copy of the source documents for the information on that page.
- AG-10-31 Referring to Exhibit BSG/PRM-2, Schedule PRM-12, pages 1 to 4, please provide updates to those pages for the most recent information available.
- AG-10-32 Referring to Exhibit BSG/PRM-2, Schedule PRM-12, pages 2 to 3, please provide copies of the source documents for the updates for each one of those pages.
- AG-10-33 Referring to Exhibit BSG/PRM-2, Schedule PRM-12, page 4, please provide a complete copy of the February 1, 2005 *Blue Chip Financial Forecasts* publication and complete copies of all updates to that publication.
- AG-10-34 Referring to Exhibit BSG/PRM-2, Schedule PRM-13, pages 1 and 2, please provide copies of the source documents for the information for each of the companies indicated on that page.
- AG-10-35 Referring to Exhibit BSG/PRM-2, Schedule PRM-13, pages 1 and 2, please indicate the meaning of the term NMF as it is used each time on that page.
- AG-10-36 Referring to Exhibit BSG/PRM-1, Appendix E, page 13, please provide complete copies of the annual reports to shareholders for each of the companies in Mr. Moul's group of gas companies from which he derived the Fair Value of Financial Instruments.

AG-10-37 Referring to Exhibit BSG/PRM-1, Appendix G, page 4, please provide all academic support for Mr. Moul's proposition that "the correct measure of the equity risk premium is the arithmetic mean because a utility must expect to earn its cost of capital in each year in order to provide investors with their long-term expectations," whereas, in "pension determinations, compound rates of return, as shown by the geometric means, may be appropriate."

DATED: May 25, 2005.